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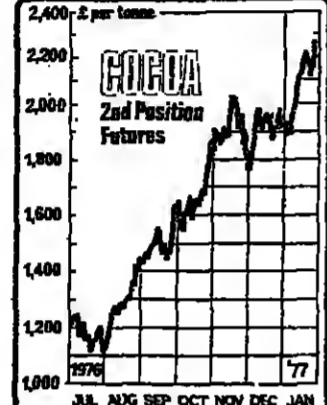
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NEWS SUMMARY

Suarez cancels Mideast visit
New rise in gilts; equities gain 3.9

Sr. Adolfo Suarez, Prime Minister of Spain, has cancelled a visit to the Middle East because of political tension in Spain.
The trip—he was due to have made it this week-end—had been regarded as the beginning of a diplomatic offensive in the Arab world aimed at securing loans of up to \$1.5bn. with which to ease Spain's severe external payments problem during the transition to democracy.



Labour Party to probe Trots
The National Executive Committee of the Labour Party voted yesterday by 16-10 with three absent members to examine thoroughly the alleged Trotskyist infiltration of the party.

Nkomo hits out at Britain
An angry Mr. Joshua Nkomo, co-leader of the Rhodesian Patriotic Front, speaking at a London Press conference yesterday, accused Britain of taking him and his fellow black nationalists "for a ride."

Police nerve centre sabotaged
Police are treating the cutting of an underground cable at a Metropolitan Police communication centre near Loughton, Essex, as a case of criminal damage.

Pay-bed post
Mr. Ralph Gibson, is to give up his post as legal adviser to the Transport and General Workers Union—and surrender his private health insurance with BUPA—

Ulster blast
Nine people, including three soldiers, were injured in central Belfast yesterday when a wall was blown down on them by an explosion in a dry cleaners.

Briefly...
The Liberal Party is organizing a capital trust fund to mark this year's centenary of its national organisation.

Plans to dump 6,000 tons of radio-active waste in the Thames estuary have been halted after an outcry by Romham residents.
The U.S. parole commission has authorised the early release from jail of Howard Hunt who masterminded the Watergate break-in.

Sir Henry Plumb has been re-elected president of the National Farmers' Union.
Peterborough community health department said that three-year-old girl now isolated in hospital—almost certainly has polio.

Rabies has caused the deaths of more than 50 people in central Tanzania.
China is to allow a large group of QE 2 cruise passengers to visit Peking in March.

Table with 2 columns: Item, Price. Includes Johnson Plumb Brown, Midland Bank, etc.

CBI WANTS 'URGENT' TALKS WITH PREMIER

Worker director clash looms

BY JOHN ELLIOTT, MANAGEMENT EDITOR

THE CLASH between the Government and leading industrialists over plans to legislate on the Bullock Report's worker director proposals came rapidly to a head last night.
The CBI Government, and a similar threatened pattern emerged last night when Lord Wainman, CBI president, said that implementation of the Bullock Report would be unlikely, if not impossible, for the CBI to co-operate with the Government's industrial strategy.

legal compulsion, although it would have to re-think its tactics if the Government showed an interest in trying to absorb into any legislation some of a minority Bullock Report written by industrialists.
Yesterday, however, Mr. Dell was stressing that his proposed recommendations contained in the majority report.

This, using an "X plus Y" formula, sees the union-based worker directors operating in a single-tier Board structure as soon as the legislation comes into force.
The minority report says it would rather have no legislation at all but that if there must be some, it should provide for slow progress via lower level participation with a minority of worker-directors, not tied to unions, sitting on the top supervisory Board in a two-tier structure.

Main Points
Majority report
Minority report
BOARD STRUCTURE
BOARD MEMBERS
INTRODUCTION
COMPANIES AFFECTED

Court clears Slater in extradition hearing

MR. JIM SLATER, the City financier who formerly headed Slater Walker Securities, is not to be extradited to Singapore to face charges connected with the conduct of Haw Par Brothers International, Slater Walker's one-time Singapore associate.
Mr. Kenneth Barraclough, the Chief Metropolitan Magistrate, decided yesterday that there was no prima facie case of conspiracy to steal and cheat against Mr. Slater, whom he then discharged on the six charges against him.

Lonrho makes £14m. agreed counter-bid for Dunford

LONRHO, the International trading company, emerged yesterday as a counter-bidder for Dunford and Elliott with an agreed £14.5m. offer.
Since October, Dunford has been strenuously courting offer from its fellow-Sheffield steel company Johnson and Firth Brown now worth £11.7m.
In the absence of a sharp rise in JFB's share price, the new offer almost certainly rules out any possibility of its bid succeeding because, under City take-over rules, its second and final offer which is due to close on Monday, cannot be increased.

U.K. insists on fishing curbs

BRITAIN WILL not wait much longer for EEC agreement before introducing its own unilateral controls on fishing inside the country's new 200-mile limit, Dr. David Owen, Minister of State at the Foreign and Commonwealth Office, told a Commons sub-committee yesterday.
At the next Council meeting of EEC foreign ministers, on February 8, the Government would insist on conservation measures "if not by the Community as a whole, then unilaterally," he said.

"The evidence in my view falls short of that which would be necessary to establish a prima facie case of conspiracy to steal and cheat."
Speaking afterwards of shate dealing schemes in the Slater Walker group, Mr. Slater said that with hindsight he had some regrets. "I should have been advised to give executives a piece of the action, but with the bear market the mood changed and that sort of thing was no longer acceptable."
Court hearing Page 8

"The absence of a flow of money from the City for firms must, under almost any circumstances, stem from the absence of demand from managements."
Sir Geoffrey Howe

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Madeline Thomas and Stephen Rea in the National Theatre's production of Horvath's 'Tales from the Vienna Woods', which opened last night at the O'Flaherty Theatre

Clywd Theatre, Mold

The Barber of Seville by ELIZABETH FORBES

The Clywd Theatre, part of the new civic centre... Mould (and only 10 miles from Chester)... The Welsh National Opera was then the first company to stage a production there...

in a modified form of the Dent translation... William Dudley's sets combine a few realistic essentials... Rosina's balcony and a stout-looking door to Bartolo's house...

Book Reviews will appear in to-morrow's paper

deeply and ardently in love; he disguises as drunken soldier and as Don Alonso are very funny without being in the least bit overdone...

Bush

German Skerries by B. A. YOUNG

Not quite a still life, Robert Jack Holman's tender oeuvre... a landscape with figures... action, a more morose violence...

Covent Garden

La Fille mal gardée by CLEMENT CRISP

On Friday next it will be the 17th anniversary of dear Fille... if the hurrying years give us pause for thought, they also bring immense and special gratitude to Sir Frederick Aetbon for this sunniest of masterpieces...

Hammersmith

Chicago

It has been a case of the hand leading the hand at the Hammersmith Odeon this week... Monday night at the Odeon performed their own brand of hippy muzak and on Tuesday Chicago blasted out some fanfare rock...

Book review

Narrative painters by DENYS SUTTON, Editor of Apollo

Victorian Panorama: Paintings of the Victorian Life... The taste for Victorian painting is no new thing... the Victorian art is very different from that of the 19th century...

Book review

Design Courses in Britain 'Otherwise Engaged' cast changes

A new edition of the handbook Design Courses in Britain (price £1.00) has been published by the Design Council for school leavers interested in applying for full-time courses in industrial design and related subjects...

Book review

Welsh National Opera at Birmingham

The West Midlands County Council has approved a scheme for the Welsh National Opera to establish a base for its English touring activities in Birmingham... The scheme begins this September and, in the first year, the company will play four one-week seasons at the Birmingham Hippodrome...

Record Review Jazz on Impulse by KEVIN HENRIQUES

Since its formation in 1961 Impulse Records has maintained an astonishingly high quality of jazz releases... This is a chance to reread in its entirety the discography of the Count's quintet...

revealed at his London concert last October... (but not just any other) pianist completes this Impulse quintet...

It is partly coincidental that three of the five feature tenor saxophonists... Mure Bettis, contemporary and aggressive playing from Sonny Rollins on East Broadway Run Down (IMPL 8035)...

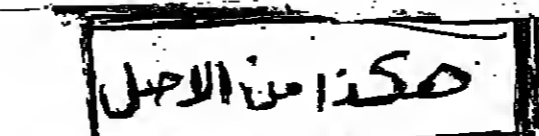
While we must be grateful for these Impulse reissues... The album varies between the 23 and 34 minutes of the 1973 import price of £2.50; secondly, the retention of the original sleeve-notes, neither updated nor corrected...

Notice of Redemption

To the Holders of KINGDOM OF DENMARK

Table with columns for coupon bond numbers (e.g., M10 1215, 1216, 1217) and redemption dates (e.g., 27.03.1977, 27.03.1978). Includes a section for 'COUPON BONDS OF \$1000 EACH'.

On March 1, 1977, the Bonds designated above will become due and payable at the redemption price... The following Bonds previously called for redemption have not as yet been presented for payment:



EUROPEAN NEWS

Italy pact on labour costs

BY DOMINICK J. COYLE

ROME, Jan. 26.

ITALIAN EMPLOYERS and effect. been demanded by the trade unions to-day finally Fund if there is to be a further reached a measure of agreement Italian drawing under the terms on reducing labour costs only of the so-called Jamaica agree-

economic measures will be announced, including a partial socialisation of social security payments. This could cost the Treasury a minimum of £700m. this year and it is understood that a majority of the Cabinet favours this additional cost being recouped through higher indirect taxes, probably through higher VAT rates.

Compromise candidate sought for Paris poll

By Robert Mautner

PARIS, Jan. 26. THE POLITICAL crisis that has broken out in France over the decision by M. Jacques Chirac, the Gaullist leader, to stand for election to the new post of Mayor of Paris against the Government's own candidate, deepened to-day with a sharp attack by President Georges Pompidou.

Ceausescu promotes wife in big Romania shake-up

BY PAUL LEVDAVI

VIENNA, Jan. 26.

A MAJOR reshuffle involving the promotion of Mrs. Elena Ceausescu, the Romanian President's wife, to the Permanent Bureau, the top Communist Party body, and the sacking of demotion of five senior ministers was announced last night by the party's political executive committee.

One of the President's closest advisers and a former Foreign Trade Minister, Mr. Cornel Brucila, was also appointed as a Deputy Premier in addition to his post as a Secretary of the central committee. This means that Romania now has no fewer than 12 Deputy Prime Ministers.

Sweden urged to devalue

By William Dulforce

STOCKHOLM, Jan. 26.

A 20-30 per cent devaluation of the krona is the only way of solving Sweden's economic problems and restoring the competitive position of its industry, according to Professor Ulf af Trolle, Sweden's so-called Company Doctor. He sees 1977 as a "year of destiny" for Swedish prosperity.

Bonn resists further reflation

BY NICHOLAS COLCHESTER

BONN, Jan. 26.

THE WEST GERMAN Government to-day stressed the inappropriateness of further reflationary measures to the country's unemployment problem, in presenting its economic report for 1977. Supported by the President of the Bundesbank in Frankfurt, it thus re-affirmed the position it has defended through the recent top-level discussions with Britain and the U.S.

four years, which could create some DM2bn. of orders in the course of this year. The Government sticks by its commitment prepared to live with a measured pick-up in economic growth this year, in the hope and expectation that this year's growth will be reflected rather more in the employment figures and less in productivity gains.

Table with 3 columns: OFFICIAL GOVERNMENT PREDICTIONS FOR 1977, 1976, 1977. Rows include Real GNP growth, Unemployment average, Consumer price inflation, GNP deflator, Surplus on trade and invisibles.

Austria to probe Middle East arms allegations

BY OUR OWN CORRESPONDENT

VIENNA, Jan. 26.

THE SOCIALIST majority in the Austrian Parliament to-day defeated a motion of no confidence tabled by opposition parties against the Minister of Defence, Gen. Carl Luetgendorf, which alleged abuse of the Austrian army and its involvement in illegal deliveries of arms to Syria.

Budget hints at early Irish election

By Giles Merritt

DUBLIN, Jan. 26.

THE CONTENTS of the 1977 Irish budget, presented to the Dail (Parliament) this afternoon, provoked speculation in Dublin that Prime Minister Liam Cosgrave will call a general election in the Spring.

Greece will raise minimum wages

By Our Own Correspondent

ATHENS, Jan. 26.

MINIMUM wages and salaries in Greece will be increased by 15 per cent this year—by 10 per cent on February 15 and by a further 5 per cent on July 1.

Iran wiring deal

Ris Wires and Cables, a Lucas Industries subsidiary, has received overseas orders for vehicle wiring assemblies from Chrysler for Iran.

NOTICE OF REDEMPTION To the Holders of AUSTRALIAN RESOURCES DEVELOPMENT BANK LIMITED 9 1/2% Deposit Notes Due 1983

Table with 20 columns of numbers for redemption purposes.

On March 1, 1977, the Notes designated above will become due and payable in full in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

Following the aforesaid redemption, \$27,600,000 principal amount of the Notes will remain outstanding.

THE DANISH GENERAL ELECTION

Ghosts of Weimar in Copenhagen

BY HILARY BARNES IN COPENHAGEN

"THIS ELECTION is concerned first and last with strengthening democracy and making popular government work," said Anker Joergensen, the Danish Prime Minister, declared after calling the third election in 38 months, to be held on February 15.

The problem which confronts Denmark is a folketing (parliament) in which since 1973 there has been a coalition of the left and the right, and for the past year an additional one-man splinter group. Only three have a double digit percentage share of voter support, and the existence of the anti-tax Progress Party on the right and three Marxist parties on the left means that there is no "natural" majority for any Government to rely upon.

Problems

The country is certainly in need of a stable administration to take care of economic problems—a net foreign debt of over 14 per cent of the Gross National Product, a trade deficit last year equal to about 3 per cent of visible export revenues; a current external payments deficit (the 19th in 16 years) of between kr1.1bn. and kr1.2bn. (about £1.1bn. and £1.2bn.), or 2.5 per cent of the G.N.P., and unemployment expected to rise from an average level of 6 per cent in 1976 to about 7 per cent this year.

The Folketing which has just been dissolved was elected in January, 1976. Although there was a non-socialist majority, the Liberal leader, Mr. Povl Hartvig, declined to form a Government on the grounds that he could not obtain satisfactory guarantees that the Progress Party would support a Liberal Government.

The Government, supported variously by combinations of the Liberals, Centre Democrats, Conservatives, Christian People's Party, and the Radicals, achieved six major compromise agreements, chiefly on economic policy, but this month an attempt to bring off yet another agreement bogged down.

programme, and the financing of the employment programme, Mr. Joergensen said. The Government will make some gains, and for the collieries and the building industry) were to help to make the deal good.

Current roots policy is based on an earlier compromise to which the Liberals were a party, and they took the line that agreement must not be broken, especially as the Government was unwilling to meet Liberal demands for tax concessions favouring the business sector.

The Liberals did not win any friends by their obstinacy. They are playing a curious role. In the autumn of 1975 they were partners in one economic policy compromise, but in a new compromise in August, when the income policy framework was fixed, they did not participate.

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Most people, probably, will be relieved if the Social Democrats do stay in office. They doubt whether a Liberal Government, inevitably supported by the Progress Party, could handle the wage bargaining. The Social Democrats may be able to persuade the Progress Party to swallow the income policy (which gives the unions only 10 per cent to talk about, as the other 4 per cent is covered by automatic cost of living index-linked adjustments).

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MOULINEX 1976 SALES Non-consolidated pre-tax turnover (excl. VAT) for the 1976 financial year reached Frs. 1,381,955,000 as against Frs. 1,184,356,000 in 1975, an increase of 16.68%.

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AMERICAN NEWS

Carter economic plans given mixed reception

BY DAVID BELL

CONGRESSIONAL LEADERS reacted favourably today to the details of the \$30bn economic stimulus package shortly to be sent to Capitol Hill by President Carter.

AFL-CIO, had an hour-long breakfast meeting with President Carter today but would say nothing as they left the White House.

While the Congressional leadership promised quick action on the package, business leaders also reacted favourably to it.

Quebec bonds down sharply following Levesque speech

BY JAMES SCOTT

TORONTO, Jan. 26.

THE INITIAL response in North American financial markets to Quebec Premier René Levesque's speech to the Economic Club of New York last night was a sharp drop in the price of Quebec bonds.

Levesque settled a few doubts on nationalisation, but in his speech to the Economic Club here on Tuesday evening, he left most of the policy questions unanswered.

CHILEAN POLITICS 'Authoritarian democracy' versus the Marxist giant

BY ROBERT LINDLEY, RECENTLY IN SANTIAGO

ABOUT 30 people have disappeared in Chile since mid-November when the Pinochet regime released 304 detainees.

Yet hopes should not be encouraged that the iron hand that holds Chile firmly in its grip, although it has been relaxed somewhat, will be removed in the near future.

It is feared that the 30 who have disappeared in the last three months have been killed. The 2 a.m. to 5.30 a.m. curfew continues throughout the country.

An ecumenical group estimates that 1,000 people have disappeared without trace since the massacre of the first few weeks of the regime.

Gen. Pinochet's goal of an "authoritarian democracy" was much ridiculed, but his new economy minister, Sr. Pablo Barroet, insists that "a strong and authoritarian Government is and must be the exact opposite of an arbitrary Government."

By way of making Gen. Pinochet's authoritarian democracy materialise, a committee is drafting a new constitution.

Beame concedes monitor needed

BY STEWART FLEMING

NEW YORK, Jan. 26.

THE MAYOR of New York, Mr. Abraham Beame, has conceded in principle that the city's finances must be monitored by an external agency.

being made towards agreement but a firm commitment seems unlikely before February 3 when the city is due to return to court with plans for repaying the public bond market by the middle of the year.

The city achieves a balanced budget by then. The banks say an alternative monitoring agency with teeth will be needed, with a life perhaps covering the 20 years or so which new bonds might be outstanding, if the city is to raise funds from the public.

A spokesman for the mayor confirmed this today, but it is clear that the form of this agency, and the extent of its powers, have yet to be resolved.

The earlier moratorium on repayments was declared unconstitutional late last year, upsetting the structure of the city's plans for avoiding a fiscal crisis.

The banks do not appear to insist that a new agency's powers need be as far-reaching as those of the EFCB, which has an effective veto on much city spending.

Brazil plans export drive

BY OUR OWN CORRESPONDENT

WASHINGTON, Jan. 26.

Brazil's economic strategy for 1977 will concentrate on reducing inflation and promoting exports.

Mr. Frank Oberle and Mr. Elmer Mackay said the list includes academics and civil servants, and was distributed to members of the Trudeau Cabinet.

The Government expects its 1977 export drive will boost exports to about \$11.3bn, from less than \$11bn in 1976.

Mr. Robert Schoning, head of the U.S. Marine Fisheries Service, says his agency may not be able to enforce the new 200-mile offshore fishing zone when it takes effect on March 1.

Bussing decision review ordered

BY OUR OWN CORRESPONDENT

WASHINGTON, Jan. 26.

THE U.S. Supreme Court has now added another layer of confusion to the already confused issue of bussing, the court orders transporting of school children to achieve racial balance.

The Supreme Court said that proof was needed to show that suburban schools were deliberately discriminating against black pupils.

It is not clear whether the new decision will weaken the federal courts, but it has certainly increased the confusion surrounding the subject, which remains one of the most controversial in the U.S.

The Court has ruled that an appeals court in Indianapolis should take a fresh look at its earlier decision ordering that black children in the city should be bussed to predominantly white schools in the suburbs in an attempt to bring about racial balance in the metropolitan area.

The decision has reinforced concern among civil rights lawyers that the Supreme Court is easing upon its commitment to desegregating the nation's schools and prompted fears that the Court is trying to restrict the power of local federal courts in such cases.

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Advertisement for Gestetner Module 2 copier featuring a rabbit character and text: 'HE THOUGHT HE WAS THE WORLD'S GREATEST REPRODUCER. THEN ALONG CAME MODULE 2.' Includes a table comparing copiers and contact information for Gestetner.

THE MIDDLE EAST

Hussein says Arabs too weak to force issue

BY HSAN HJAZI

KING HUSSEIN of Jordan has expressed reservations about an early solution to the Middle East conflict, and saying the Arabs are not strong enough to exercise their military option if the projected Geneva conference fails.

The Arab states have not yet filled the gaps in their military positions existing since the Yom Kippur War with Israel in 1973, largely because of inadequate assistance from the Arab oil-producers to the front-line states, he said.

King Hussein told Al Auwar: "The Arabs are supposed to go to the Geneva Conference depending not only on the firmness of their case but also on a measure of strength. What I am afraid of is that we may be acting from a position of weakness. Will Israel yield to the world's will at the Geneva Conference? Is it ready to withdraw from all the Arab territory it occupied in 1967 and recognise the national rights of the Palestinians? If not, what is the alternative? I personally advise caution and we must not be too optimistic that things at Geneva will be easy."

The Arab States have not rebuilt their military power since the 1973 war and therefore if the Geneva Conference fails, "will not be able to exercise the military option, namely resorting to force," he said.



King Hussein... "Will Israel yield to the world's will at Geneva... we must not be too optimistic..."

The myth of the military option...

BY A SPECIAL CORRESPONDENT

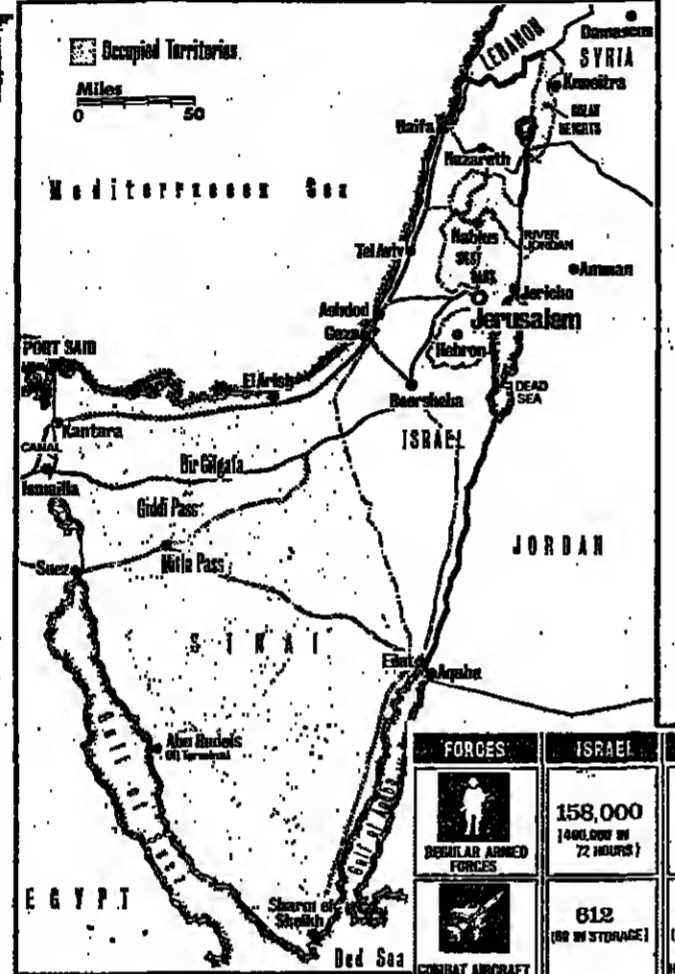
ISRAELI sceptics continue to warn that behind the current major Arab peace offensive lurk the preparations for another war. Even Israelis who strongly favour negotiations with the Arabs, like General Avron Vardi, former Chief of Military Intelligence, are predicting that if the Arab states go on making demands that Israel cannot meet, a war may break out late this year or in early 1978.

What is certain is that a substantial proportion of those that do get manufactured there will go to Saudi Arabia and the other Gulf oil states.

has never been able to replace its wartime losses. Moreover, because of the continuing Russian embargo on spare parts for its Soviet-equipped armed forces, Cairo has been reduced to scrounging for them in other states that also operate Russian-designed equipment.

In 1973 Israel had 490 combat aircraft; now it operates about 550, with 60 more older aircraft in reserve, and an additional 60 new ones to be delivered in the next year or so. It began the October war with 1,700 tanks; thanks to captured Arab equipment and large American deliveries, it now has 2,700, with more on order.

About three Syrian divisions (out of an army containing the equivalent of eight divisions) are now in Lebanon (with another on the Iraqi border). This leaves Damascus without enough forces to launch a serious offensive on the Golan Heights, but neither can it easily use its sources in Lebanon for an attack. Not only do they have their hands full merely with controlling the Lebanon, but they are not in a position from which they could move against Israel at once—



Strike It would be impossible, given the circumstances of the Lebanon, for Syria to concentrate these forces southward without Israel's knowledge, and Jerusalem would certainly strike before such a concentration could be completed. Access to Lebanon is much easier for armoured forces coming from Israel than from Syria, because of the terrain. The Syrian army would face a large probability of having to fight in two separate factions, divided by the Anti-Lebanon mountain range, and of suffering defeat in detail. It is scarcely a tempting prospect.

Table with 5 columns: FORCES, ISRAEL, EGYPT, SYRIA, JORDAN. Rows include: REGULAR ARMED FORCES, SPARE PARTS, COMBAT AIRCRAFT, and TANKS.

Background

This threat of renewed war if negotiations fall is kept very much in the background at the moment. Damascus has publicly accepted the concept of a Palestinian ministe in the West Bank and the Gaza Strip as settlement in full of everyone's debts to the Palestinians, and is preparing its population for the "slight of radical" Syria negotiating face-to-face with Israel. President Sadat of Egypt has announced publicly that "we are headed for Geneva and a final settlement," and that the Palestinian state should be admitted to Jordan, in an attempt to make the peace negotiations more nterly blocked. "I don't think that anyone would consider war again."

Nevertheless both President Sadat and his Minister of War have made it explicit clear that the Arabs will fight again if no settlement is forthcoming. Could the Arabs actually attack Israel now with any prospect of even limited success?

The answer to this question depends partly on an objective assessment of military strength—the numbers and quality of arms in the hands of front-line Arab states—and partly on less easily quantifiable factors: the shape of the ground, the strategic choices available, and the question of the Israeli nuclear deterrent. Uncertainty is implicit in any military venture, but it is at least possible to set out the problem as it would appear to Arab general staffs, and deduce their likely recommendations.

Reports on January 12 of the Franco-Arab agreement to manufacture 200 Mirage combat aircraft in Egypt was the signal for a new wave of speculation about an Arab offensive. On closer examination it turns out to be just as much a mirage as all the previous bouts of excitement. It is not even definite precisely which French aircraft will eventually be built in Egypt.

of 1973. Any Arab attack without surprise, in most observers' views, would be utterly futile. The obstacle is particularly great in the Sinai peninsula, where the terrain is wide and flat, and a low range of mountains running virtually its whole length, with American observers in the passes to warn of any suspicious military movements.

Offensive It might be thought that the move of the Syrian army into Lebanon has created a new strategic opportunity for the Arabs, but it does not yet exist in reality. The potential is there for a powerful flanking position in some future time, but at present the Syrian presence in Lebanon represents a net loss to Arab military strength.

WORLD TRADE NEWS

U.K. car imports up, but components compensate

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

RIISING SALES of foreign cars combined with a weak currency pushed up Britain's bill on car imports by 72 per cent last year to £885.3m.

But this figure still fell comfortably short of the country's total exports in the motor sector of £3.3bn, giving a £2.4bn balance in favour of the U.K. After care, the most vigorously growing sector for the importers was small commercial vehicles of up to three tons. From a small base, this grew by 61 per cent to £242m—a growth mainly achieved by Japanese manufacturers, and one which is causing Commercial vehicles in the growing anxiety among British heavier weight ranges also had a

Table: VALUE OF MOTOR INDUSTRY EXPORTS AND IMPORTS. Columns: Exports, Imports, 1976, 1975, Rise/Fall.

Japan simplifies testing

JAPAN HAS informed the EEC it will simplify its type certification system for foreign cars sold in Japan. The Transport Ministry inspection of six points out of 64, including braking function, noise, exhaust gas emission, and fuel evaporation, will be entrusted to the four units and another 15 points to European automobile manufacturers themselves.

U.S. oil groups set tougher safety standards for tankers

AMERICAN OIL companies are setting much more exacting safety standards in their chartering of oil tankers following two recent tanker disasters in the U.S.

Andean Pact disappoints Bolivia

EL DIARIO, the Conservative La Paz daily, today called for Bolivia's withdrawal from the Andean Pact. In a leading article the newspaper suggested that the country has little to gain from membership of the pact and concentrated on the development of its own oil, mining and agro-industries.

OTHER OVERSEAS NEWS

Gulf Fund may lend to Egypt

By Michael Tingay CAIRO, Jan. 26. A \$250m LOAN to support Egypt's balance of payments, managed by Chase Manhattan Bank and guaranteed by the recently-established Gulf Fund for the Development of Egypt (GODE), was being finalised today in Riyadh, reliable sources said here.

Richard keeps hope alive —soundings to continue

By GRAHAM HATTON JOHANNESBURG, Jan. 26. Emphasising that Britain's proposals were no more than a basis for further negotiation, Mr. Richard said that he had explained to Mr. Smith that even such things as whether the proposed resident commissioner should be British or not were negotiable. Also negotiable was the matter of how many blacks and whites there would be on the council of ministers, how many of the whites were going to be from the ruling Rhodesian Front as opposed to other parties, and whether the council of ministers would only be able to make decisions on the basis of a two-thirds majority.

Kenya halts EAA flights

NAIROBI, Jan. 26. FLIGHTS by East African Airways (EAA) were delayed by up to three hours at Nairobi today because of a Government demand for immediate payment of landing fees and other airport charges.

Forest industry 'depressed'

BY LANCE KEYWORTH HELSINKI, Jan. 26. THE FINNISH forest industry expects an increase in the volume of its exports this year of between five and 10 per cent, and the value increase may be roughly 10 per cent.

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SPORTS AND MORE

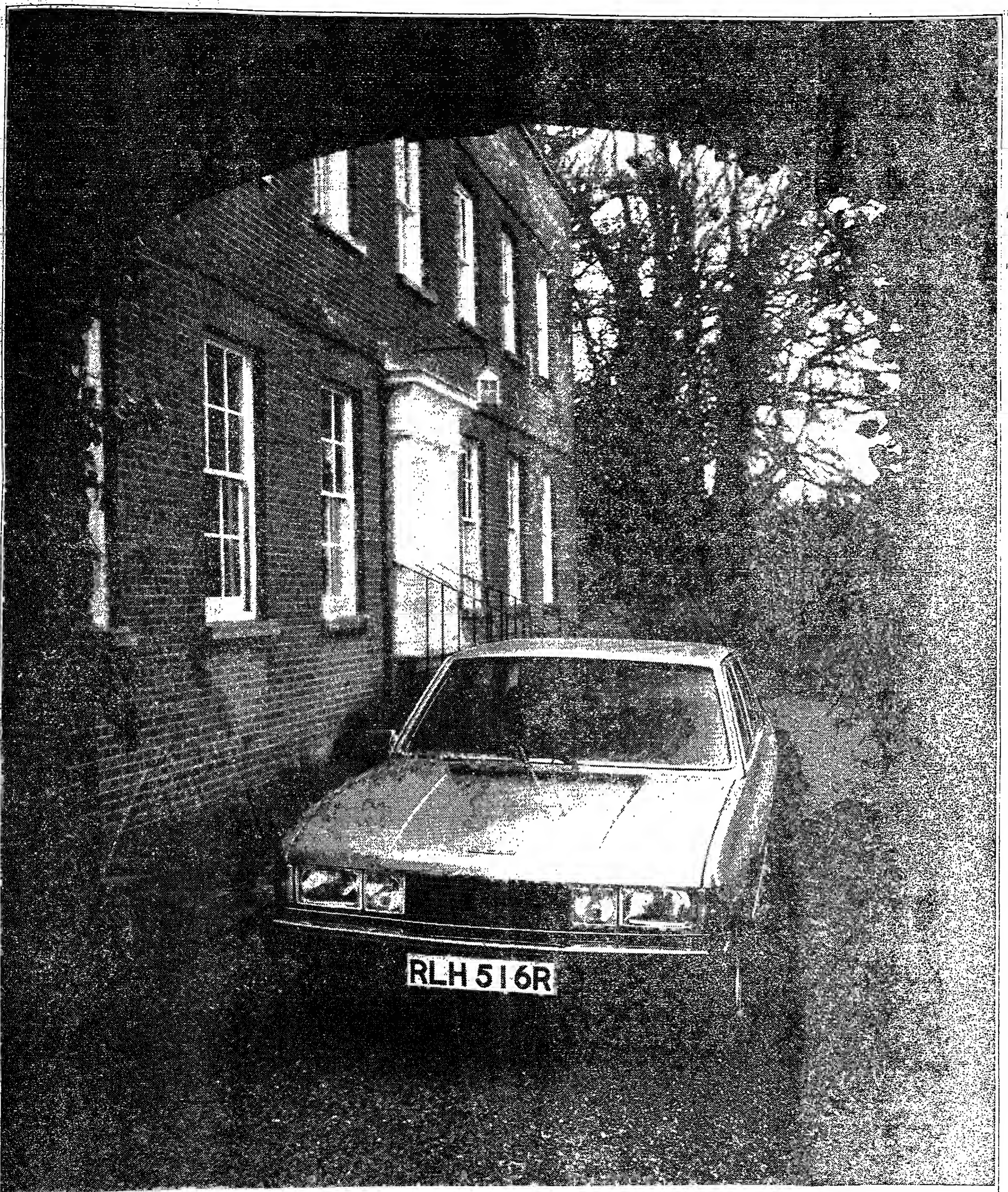
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Hoechst switch hits 360 jobs

BY RHYD DAVID

HOECHST U.K. plans to close down its John Shaw yarn textile plant at Staliland...

Aid examined

The company says it has looked at Government aid available to help overcome short-term employment problems...

HOECHST itself is a supplier of white textured yarn from the Limerick plant in Northern Ireland...

British Steel 'secret scrap plans' probed

BY ROY HOODSON

SECRET ARRANGEMENTS alleged to have been made by the British Steel Corporation to restrict its purchases of scrap steel...

17 companies with special arrangements to supply the Corporation with scrap direct were obtained premium prices of up to 54 to 55 a ton above ruling prices...

Privileged few

Mr. Wheatley is thought to have been referring to Thomas W. Ward, Coopers Metals, and the scrap side of the 600 Group...

The federation proposed a strategic stock of British scrap in the form of a "buffer stock" held mainly by consumers...

Building orders rise to highest level since July

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

ORDERS FOR new construction work took an unexpected turn upwards during November, according to provisional figures from the Department of the Environment...

Public housing orders fell from £106m. in October to £91m. in November, but were 17 per cent. down on the previous three months...

Health physicists are running highest radiation hazards

BY DAVID FISLOCK, SCIENCE EDITOR

THE HEALTH physicists, whose job is to safeguard nuclear industry employees from radiation hazards, are the workers exposed to the highest levels of radiation...

The average annual dose of radiation for health physicists at the Trawsfynydd nuclear station in North Wales is higher than that of the operations staff...

Clyde yard wins £1.5m. order for bulk carrier

GLASGOW, Jan. 26.

A £1.5m. ORDER for a 1,600 gross tons mini-bulk carrier was won by the Clyde yard...

Iranian navy

Yarrow (Shipbuilders) at Scotstoun, another Clyde yard, wants, however, to pay off 60 design staff because of an unexpected delay in winning export orders...

Scottish women to establish national forum

WOMEN FROM throughout Scotland are to meet in Edinburgh next month to establish their own national forum, the Convention of Scottish Women...

Pompeii Exhibition extended

A TWO-WEEK extension has been agreed for the Pompeii AD79 Exhibition at the Royal Academy of Arts, Piccadilly...

Heart grant

A £34,000 grant over the next three years is to be made by the Leverhulme Trust Fund to the Institute of Child Health for research into heart disease in childhood...

London decay 'may cause serious social unrest'

BY KEVIN DONE, INDUSTRIAL STAFF

THE DECAY of the inner city ellors as an election gimmick, points out that between 1961 and 1974 the population of Greater London fell by 20 per cent...

At a mass meeting before Christmas some 3,000 production workers voted against support for the 136 and for a return to work...

General Practice £4m. issue

THE GENERAL Practice Corporation has made an issue of £500,000 General Practice Finance Guaranteed 14 1/2 per cent...

The corporation was set up under the National Health Service Act 1966 to assist, by way of loans, National Health Service medical practitioners in providing or improving practice premises...

Call to speed Marathon £14m. drill rig order

BY OUR GLASGOW CORRESPONDENT

THE GOVERNMENT is to be asked to speed up its speculative £14m. drilling rig order for Marathon's Gylebank Yard...

force did not know when they would be required. About 1,050 workers were suspended without pay on December 17, after the yard delivered its last-off work-force.

So far, there is no imminent prospect of another order, although Marathon are negotiating with drilling companies in three countries for jack-ups.

Negotiating

The other 350 workers at the yard are busy on sub-contract work, and expect to be transferred to the BNOC order once it gets under way.

The men also decided yesterday to oppose any compulsory redundancy, with an eye to the time when the "spec" rig nears completion and more work is needed.

TUC General Council endorses talks with Tories

BY OUR LABOUR CORRESPONDENT

THE TUC General Council yesterday endorsed the action of its top team of negotiators, the so-called NEDCO Six, in holding recent exploratory talks with Opposition leader Mrs. Margaret Thatcher and members of the shadow Cabinet.

present good relations with the Labour Government were emphasised and compared with the poor relations that existed with the Tory Government at the time of the Industrial Relations Act.

Technology proposals rejected by union

FLEET STREET electricians have rejected the Programme for Action proposals for the introduction of new technology on which employees throughout the national newsprint industry will be voting next month.

The decision was taken at a special meeting of Electrical and Plumbing Trades Union members in Fleet Street. It is the first final decision on the issue, although critical opinions have been voiced at non-binding delegates' meetings of the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel.

The 700 Fleet Street electricians are, in direct terms, one of the groups with least to lose under the programme and their reaction demonstrates that opposition is not confined to redundancy fears alone.

Massey Ferguson men vote to stay out

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE 1150 STRIKERS at the Massey Ferguson tractor plant, Coventry, voted yesterday to continue their month-old dispute. About 3,000 office and manual workers were allowed to enter the Banner Lane factory after the return to peaceful picketing.

At a meeting held last night of an end to the Massey Ferguson tractor plant, Ford car factory at Halewood, Liverpool, before the week-end...

Leyland Cars lays off 240 at Triumph

LEYLAND CARS declared the first of the threatened extensive lay-offs at Midlands plants yesterday in the wake of a strike by delivery drivers.

About 240 assembly workers at the Triumph Canley plant have been made idle. The situation was becoming critical at the Longbridge and Solihull factories, the company said.

About 370 drivers employed by James Gar Deliveries were picketing factories yesterday in protest at Leyland's decision to bring in extra car delivery concerns at Solihull, where the men's company handles 85 per cent of the work.

The strikers hope that the Amalgamated Union of Engineering Workers will make the dispute a meeting of the Association of Scientific, Technical and Managerial Staffs, claimed that his dismissal was linked with his action in reporting "illegal" trading by the Army at one camp.

Miners ballot on early retirement

By Our Labour Staff

BRITAIN'S 240,000 miners yesterday began a two-day ballot on early retirement proposals with union leaders increasingly confident that a deal agreed with the National Coal Board would be accepted.

Naafi strike fails to hit

THE NAAFI said yesterday that a strike called at its shops and clubs in West Germany over the dismissal of a club manager had not caused any closure.

The manager, Mr. Bill Ingram, a member of the Association of Scientific, Technical and Managerial Staffs, claimed that his dismissal was linked with his action in reporting "illegal" trading by the Army at one camp.

Lost job

The programme has been commented by leaders of five unions, NATSOPA, NGA, EFTU, Society of Graphical and Allied Trades and the National Union of Journalists. However, the EFTU is unlikely to be the only union which has difficulty carrying the proposals...

SNOW REPORTS

Table with columns: Region, Depth State, Max. Wind, Min. Temp., Cloud, etc. for various regions like AUSTRALIA, FRANCE, NORWAY, etc.

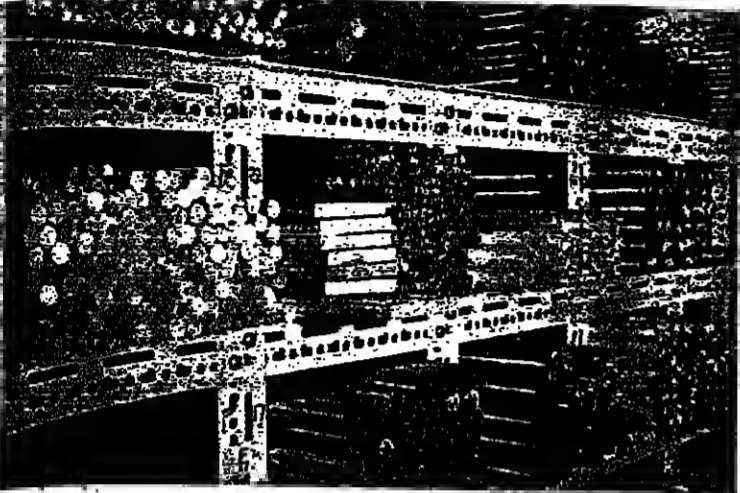
BULLOCK - THE FUTURE OF YOUR COMPANY THE CUMBERLAND HOTEL February 20th-25th, 1977. This Conference is for Competent Senior Executives prepared and able to engage in detailed analysis of the ideas set out in the Bullcock Report...

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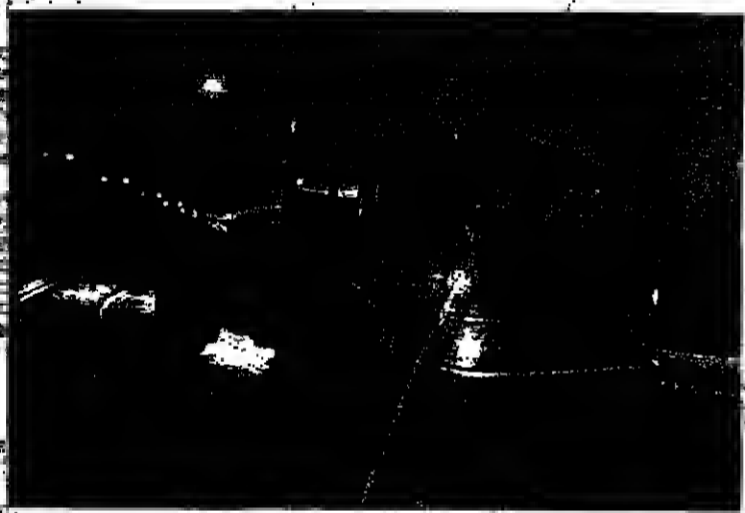
# Ravensdown

A REPORT TO ALL OUR CUSTOMERS WHO HAVE NEVER HEARD OF US.



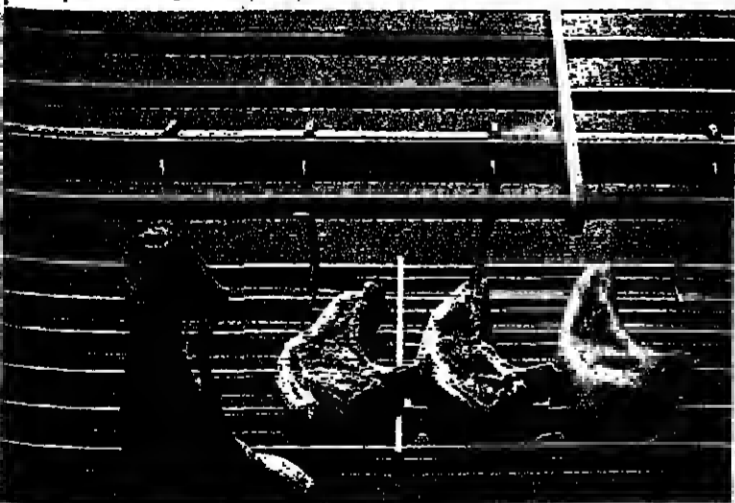
**STOCKHOLDING DIVISION:  
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You could be doing business with several thriving firms—RDM Metals or the British Bumper Company or Custom Made Developments—without having heard of the parent company: Ravensdown.

We are an unusual group. We started with two precious metals and one strikingly simple idea. The metals are stainless steel and aluminium. The idea is customer service.

It is this that has made us Britain's fastest growing stockholders and taken us into freighting, aluminium windows and doors, swimming pool equipment, purchasing services and metal fabrication for the catering, retailing and architectural sectors.

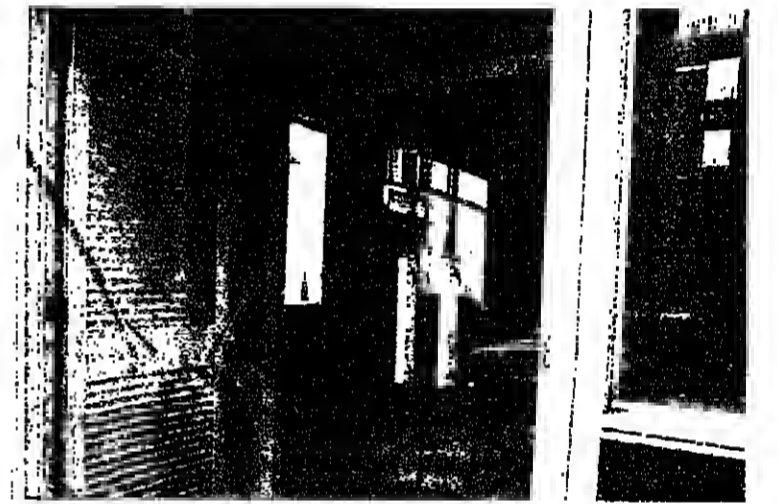
Our strength is people. Service to industry depends upon teams of highly trained and motivated professionals who are alert and responsive to your changing needs. On behalf of these people may I say to our customers: thank you for your business in 1976. We hope to serve you well in 1977.

L.G.B. Halliwell, Chairman.



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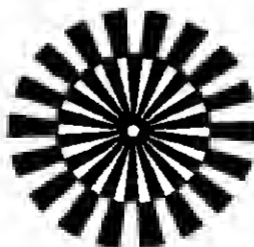
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HOME NEWS

TARLING GIVEN £45,000 BAIL AFTER COURT DRAMA LASTING 14 DAYS

Slater wins case against extradition

MR. JIM SLATER, the financier, was cleared at Horseferry Road magistrates court yesterday of all the charges which the Singapore Government had brought against him over his Far East activities with Haw Par Brothers International.



Mr. Jim Slater after being discharged on conspiracy charges for which the Singapore Government wanted his extradition.

Mr. Slater, one-time chairman of Slater Walker Securities, was discharged in respect of the six counts against him. All these charges concerned the private Spydar Securities share dealing concern in Hong Kong, from which Mr. Slater, Mr. Tarling and others were alleged to have made £1m of profit at the expense of Slater Walker former Singapore associate, Haw Par Brothers.

Decision puzzles lawyers

BY MARGARET REID

THE DRAMA which has unfolded at Horseferry Road Court during the Singapore Government's extradition case against the financiers Mr. Jim Slater and Mr. Richard Tarling reached a suitably striking climax yesterday, and one whose implications will long be discussed.

honest transaction as far as he was concerned. The 17 charges against Mr. Tarling were "totally and utterly without foundation". It was claimed for him by Mr. Andrew Bateson, QC.

Keep 4,000-Mw. steamer reactor, Government told

BY DAVID FISHLICK, SCIENCE EDITOR

BRITAIN should not abandon its 4,000 Mw steamer nuclear reactor programme unless the reactor fails to meet three important conditions, according to a Parliamentary select committee.

Beecham plans £10m. expansion

BY RHYD DAVID, CHEMICALS CORRESPONDENT

THE BEECHAM Group, one of Britain's leading pharmaceutical manufacturers, is planning a major expansion of its pharmaceutical research programme at a cost of more than £10m. over the next three years.

Orders sought to save jobs

FINANCIAL TIMES REPORTER

SWAN HUNTER Shipbuilders said yesterday the last ship it had in hand for its Tyne yards and is looking for new orders to save hundreds of jobs this year.

New oil exploration applications exceed blocks on offer

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT plans to award new oil exploration licences within the next fortnight. The allocation of concessions under the fifth round of licensing has been delayed by at least a month for two main reasons.

Interest rates 'likely to ease during year'

BY MICHAEL BLANDEN

INTEREST RATES in most of Europe are likely to become easier during the year, Williams and Glyn's Bank says in its latest review.

Table with columns: Country, Bank Rate %, Overdrafts %, Loans %, Commercial Finance Paper. Rows include France, Italy, Netherlands, Switzerland, U.K., and W. Germany.

Rent Act is not disaster - Shelter

By Michael Cassell, Building Correspondent

THE Rent Act, 1974, has not proved a disaster for the homeless as many people have claimed, according to Shelter.

Tractor contract

British Leyland has won a £25m. order to supply tractors to Turkey.

Port of London seeks Midlands traffic boost

Base Rate Change

Advertisement for Bank of Baroda, featuring the text 'BANK OF BARODA' and 'Bank of Baroda announce that for balances in their books on and after the 27th January, 1977, and until further notice their Base Rate for lending is 13% per annum.'

Handwritten Arabic text at the bottom center of the page.







HOME NEWS

Productivity seen as key to economic recovery

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

HOW TO IMPROVE productivity is Britain's problem and it will not be resolved through import controls or devaluation or holding actions, according to a report published this morning by the Trade Policy Research Centre, an independent organisation which sponsors research on international economic policy issues.

tariffs would ever become redundant, as in the developing country (where used for the protection of infant industries); indeed, the existence of tariff advantages, like the presence of monopoly, tends to make for the continuous adoption of inefficient modes of production since there is no penalty for such behaviour," they add.

"Deflation of expenditure has to do the whole job of correcting the balance of payments. The main way out of this dilemma is to improve productivity, hence making the economy competitive, internationally, without real wages having to fall."

Little hope of fall in Scottish jobless

BY JAMES McDONALD

NO EARLY relief from Scotland's record level of unemployment is foreseen by Strathclyde University's Fraser of Allander Institute for Research on the Scottish Economy.

small increase in terms of output in the first half of this year. "The economy seems to have weathered the July measures, but it is too early to assess the effects of the December Government measures."

Parents will sue doctor in vaccine test case

THE GOVERNMENT, a doctor and a vaccine manufacturer are being sued by the parents of a baby who suffered brain damage after vaccination. The action is seen as a test case for 500 children alleged to have suffered brain damage as a result of vaccination for whooping cough.

Morpeth auditing to exempt key accounting area

BY MICHAEL LAFFERTY

AUDITORS will not have to express an opinion on one of the central and most controversial features of the proposed current cost accounting (CCA) system of inflation accounting.

revaluation reserve. In an effort to get this done before the CCA system comes into force after 1978, the auditors are, at the very least, taking up a negotiating stance by saying that transfer to the reserve account "is not necessarily susceptible to audit."

Machine tools upturn ahead

BRITAIN'S Machine Tool Trades Association said that although its overseas markets currently continue to be depressed "the long-awaited upturn will occur probably in the latter half of 1977."

APPOINTMENTS

Two senior executives join Grindlays Bank Board

GRINDLAYS BANK has made two appointments to its Board. Mr. W. M. Farnsworth joins in April and Mr. A. J. W. Leonard becomes a director on February 1.

divisional deputy general manager. Mr. Bellamy is succeeded as head of management information and control systems control division by Mr. Denis Child.

consolidated trading and metal distribution activities within the geographical areas managed by ALCAN ALUMINIUM (U.K.) and ALCAN ALUMINIUM (EUROPE) S.A.

director, Mr. Downey has been a non-executive director since 1960. Mr. Jones has until now been general manager of the company and Mr. Corcoran marketing manager.

quish the position of company secretary of PROCTER BROS (TIREWORKS) at the end of this month but will continue as financial director until his retirement in June.

General Mining Group

COAL MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31st DECEMBER 1976.

All companies mentioned are incorporated in the Republic of South Africa. (All figures in '000 and subject to audit.)

Table with 3 columns: TONS SOLD, NET PROFIT, CAPITAL EXPENDITURE. Rows include TRANS-NATAL COAL CORPORATION LIMITED and THE CLYDESDALE (TRANSVAAL) COLLIERIES LIMITED.

NOTES: 1. Dividend No. 28 of 7 cents per share was declared on 1.11.76 and is payable on 10.2.77.

Table with 3 columns: TONS SOLD, PROFIT, NET PROFIT AFTER TAXATION. Rows include THE CLYDESDALE (TRANSVAAL) COLLIERIES LIMITED.

NOTE: Dividend No. 127 of 4.5 cents per share was declared on 1.12.76 and is payable on 17.2.77.

January 26, 1977

Mr. D. E. Cassidy has been appointed chief executive of BOWRING TYSON in place of Mr. A. J. Bath who remains chairman.

NL Industries, Inc. has acquired through merger

The Rucker Company

The undersigned assisted in this transaction and acted as financial advisor to NL Industries, Inc.

Salomon Brothers

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Notice of Redemption and Termination of Conversion Rights

ISE Finance Holdings S.A.

4 1/2% Sinking Fund Debentures Due 1986

(Convertible on and after January 1, 1987 into Common Stock of International Telephone and Telegraph Corporation)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of March 1, 1966, as amended, under which the above described Debentures were issued, \$13,500,000 principal amount of the said Debentures of the following distinctive numbers has been drawn by lot for redemption on March 1, 1977 through the operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption:

Table with 2 columns: COUPON DEBENTURES BEARING THE PREFIX LETTER D (\$600 Denominations) and COUPON DEBENTURES BEARING THE PREFIX LETTER X (\$1,000 Denominations).

The Debentures referred to above will become due and payable and, upon Presentation and Surrender Thereof (with all coupons appertaining thereto, maturing after March 1, 1977), will be paid on said redemption date at the W.C.C. Board Windows—2nd Floor at Citibank, N.A., 111 Wall Street, New York, N.Y. 10015, at the offices of Citibank, N.A., in London (City Office) and Paris, or at the office of Societe Generale de Banque S.A. in Brussels, Dresdner Bank Aktiengesellschaft in Frankfurt and Banque Generale du Luxembourg in Luxembourg, as the Company's Paying Agents. On and after said redemption date, interest on said Debentures will cease to accrue.

Coupons maturing March 1, 1977 should be detached and presented for payment in the usual manner.

The above specified Debentures called for redemption may be converted at the option of the holders thereof and at the principal amount thereof into fully-paid and non-assessable shares of Common Stock of International Telephone and Telegraph Corporation ("ITC") at the conversion price of \$41 per share upon delivery of such Debentures accompanied by written notice addressed to ITC electing to convert such Debentures and stating the name(s), address of the person(s) for registration of the shares of Common Stock and whether such person(s) is or are beneficial owner(s) or alien(s) as to the United States, with all unattached coupons appertaining thereto attached, to Citibank, N.A., New York, London (City Office) or Paris or at one of the above-mentioned offices, as Conversion Agents, at any time until the close of business on said redemption date. Upon conversion of any Debenture, no payment or adjustment on account of interest accrued on any Debenture so converted or on account of any dividends on the Common Stock delivered upon conversion will be made and no fractional shares of Common Stock will be issued. AT THE CLOSE OF BUSINESS ON SAID REDEMPTION DATE SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL DEBENTURES BEING REDEEMED AS SPECIFIED ABOVE.

ISE FINANCE HOLDINGS S.A. By: Citibank, N.A. as Trustee

January 27, 1977.

Handwritten Arabic text: صكوك من الاموال







THE FINANCIAL TIMES

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THE BULLOCK REPORT



A jolt to class balance

BY JOHN ELLIOTT, Management Editor

Predictable outcome

SOME 15 years ago, when the report of the Jenkins Committee on Company Law was published...

This past failure, however, was no excuse whatsoever for setting up a Committee of Inquiry (the Bullock Committee) with terms of reference which required it not to consider the general questions involved but first, to accept the need for a radical extension of "industrial democracy" in company control...

Wider split The outcome was predictable—a majority report expressing the views already held by the academics and trade union representatives chiefly involved...

The need for unity on fishing policy

PRESSURE is mounting on the Government to take unilateral action to protect Britain's fisheries without necessarily waiting for conservation measures to be worked out in Brussels...

Solidarity But the Government will have to play its hand exceedingly carefully in Brussels. It may be true that the other EEC countries, with the exception of Ireland, have so far failed to appreciate the magnitude of the problem for the U.K. either economically or politically...

THE BULLOCK Report raises issues that run far deeper in the consciousness of British society than merely how industry in the U.K. is managed. That is why the report has created such a furor in recent weeks...

The key issue is not simply whether workers should have a major say in key corporate decisions—although this is one crucial aspect of the debate; nor is it whether worker directors would improve industrial relations and therefore industrial efficiency...

Deferential society

"The coming of age of democracy in our society is a process that inevitably affects the whole of people's lives; it cannot be excluded from the workplace," says the Report, explaining that social trends including increased education and the "end of the deferential society" are all part of what it calls the "pressures for change."

Out of such a revolution, the orthodox TUC line says, will develop a country with more

social justice, in a better world for workers represented by a trade union movement which shifts away from its traditional conflict-based adversary approach and adopts, as far as possible, policies of constructive co-operation.

Although such basic questions have hardly been debated at all until fairly recently, the TUC's first indication of an interest in Boardroom power goes back ten years to its evidence to the Donovan Commission on trade unions. It suggested then that there should be legislation allowing worker directors to be appointed to Boardrooms.

By this time the TUC leaders—at least Mr. Jones and Mr. Lea with most others acquiescing—had established three key points of principle which are central to the Bullock Report and which go to the heart of the political decisions which the Government now has to make.

Industrialists went their own way and the minority report was drafted in GKN's personnel department with help from personnel staff in ICI (two of the minority industrialists are Mr. Barrie Heath, GKN chairman, and Sir Jack Callard, former ICI chairman).

Aware of the violent criticism it would receive, the drafters of the majority report set out to do two main things. The first was to explain the logic and historical perspective behind their ideas and the second was to design their detailed proposals in such a way that as many objections as possible from both sceptical unions and critical industrialists could be met.

MODELS OF INDUSTRIAL DEMOCRACY

Table with 2 columns: CATEGORY and ITS POLICIES. Rows include: Most companies in the past, Some major companies' newer policies, CBI policy since February 1976, Bullock industrialists' minority report, Bullock majority report, Original TUC policy, Other union policies, EEC policy.

Many of these ideas themselves will now come under attack. For example, while a company-level union committee might well be a good innovation in industrial relations terms, it could also provide a forum for increased inter-union rivalry rather than being a catalyst for peaceful co-operation.

MEN AND MATTERS

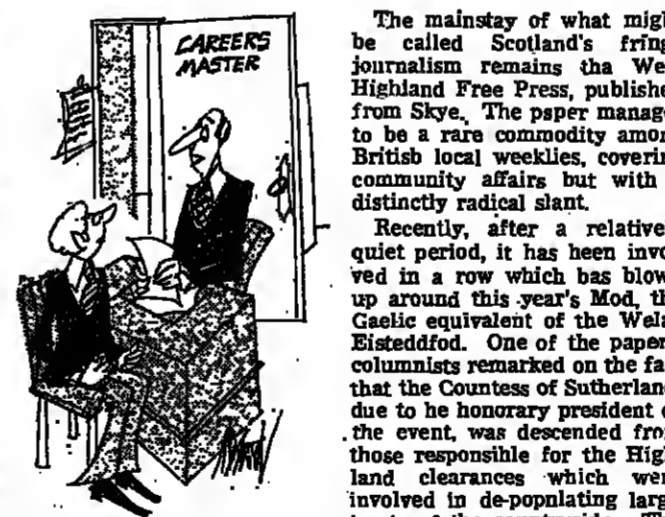
Libya's place in the sun

When Abdalla Saudi, chairman of the Libyan Arab Foreign Bank, flew into Rome last month to explain Libya's decision to invest \$450m in Fiat...

The tiny island is actually closer to Tripoli than it is to Sicily, although it does have a special connection with the larger island to the north in that it gave its name to Tommaso di Lampedusa, the Sicilian aristocrat who wrote 'The Leopard', the posthumous best seller about the end of the Bourbons in Sicily.

The Scottish Question

Increased demand for home-grown political journalism has been an understandable development alongside the growth of political interest and activity in Scotland. In the thick of that is a 30-year-old solicitor-turned-publisher called Peter Chiene, editor and indeed the full-time staff of Q, a lively fortnightly tabloid.



"It looks as if you may be faced with a choice between being an unemployed worker or an unemployed company director."

He does not hide his Nationalist politics, but anti-devolutionists like the Conservative MP Teddy Taylor have written for the magazine. One of the problems of achieving balance, Chiene observes tartly, is "finding Tories who can write."

Chiene started his publishing company with just £2,000. Q (for Question) began with a tabloid. The circulation is tiny—about 1,200—but Chiene says distribution problems are holding back sales, good in the east of the country but poor in the west.

Alliance 4-year High Income Term Shares

9.55% = 14.69%

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Handwritten Arabic text at the bottom of the page.





MINING NEWS

MIM doubles half-year dividend and profit

BY KENNETH MARSTON, MINING EDITOR

NET EARNINGS OF Australia's MIM Holdings... MIM doubles its dividend for the half year... Profit for the whole 1976-77 year.

RENISON JOINS TIN VENTURE

The Tasmanian tin producer, Renison, a subsidiary of Consolidated Gold Fields Australia, is entering a joint venture with the small Melbourne company, Minedata Exploration, for the exploration of a tin prospect in Queensland.

ABORIGINES SET TERMS FOR GEM 'WALK-ABOUT'

Aborigines of the Forrest River Reserve in the Kimberley area of Western Australia have responded to the search for diamonds in the locality by setting a series of conditions under which they would permit mining.

Aluminium's recovery

THE world aluminium industry is wearing a more confident air these days, even though it still has problems. Our Toronto correspondent reports that the major international producer, Alcoa of America (ALCOA), sees 1977 as a better year in terms of earnings, selling prices and shipments.

BIDS AND DEALS

Standard Trust rejects BR Pension Fund offer

Standard Trust, the investment trust which was the subject of a BR bid approach by the British Rail Pension Funds on Tuesday, rejected the bid yesterday.

U.S. COURT ORDERS RACAL TO EXTEND MILGO OFFER

Racal Electronics is extending for two days the time for expiration of its offer to purchase any and all shares of Milgo Electronic Corp. common stock for \$10.28 per share.

ATTOCK TO BUY NORTH SEA PETROLEUMS

Attock Petroleum proposes to acquire North Sea Petroleum with effect from January 25. It is a private company formed in 1972 to exploit exploration licences in U.K. offshore areas.

GREAT PORTLAND BUYS REST OF COURTANA

Great Portland Estates has purchased the 50 per cent interest in Courtana Investments not already owned by Hilg and Hill Building, which owned subsidiary of Hilg and Hill.

WCB/GUINNESS

Mr. Richard Boney, chairman of WCB and Guinness, has stated that the company is fully aware of the situation between WCB and Guinness before it agreed to the placing proposals.

PERCY BILTON PURCHASE

Percy Bilton has acquired from Anchorcastle a freehold industrial premises at Langley, Bucks for £225,000. Payment has been satisfied by 615,572 Ordinary shares which have been placed with institutions at 48p.

B.C. PROPOSES TAX CHANGE

The provincial Government in British Columbia is moving a stage further in its policy of easing tax provisions on mining companies. A budget proposal is now announced which will allow greater flexibility in the writing-off of exploration expenditure under the Capital Tax Act.

ROUND-UP

No talks are contemplated for the near future regarding the Lupaards Veli uranium reserves which are owned by Gold Fields Property. A spokesman for the latter company said in Johannesburg yesterday that the uranium-bearing Bird reef, over which GFF holds the mining title, is of relatively small deposit and of low value making it improbable that GFF will be able to mine it on its own account.

Ferranti to buy Cetec's U.K. offshoot

Ferranti and the Cetec Corporation of California yesterday announced that they intend to merge their interests in automated draughting equipment, digitising and interactive display systems.

LONGHO BUYS REST OF CENTRAL LINE SECS.

In yet another take-over move, Longho has announced an agreed cash bid making a total of £300,000 for the 44.9 per cent interest it does not already own in Central Line Securities.

BCA TAKES 15% STAKE IN PARK PLACE

British Coal's B.C.A. has purchased through the market, 70,000 shares amounting to about 15 per cent of the issued share capital of Park Place Investments.

IMPERIAL KNIFE - RICHARDS

The necessary formal consents under the exchange control act 1947 have been granted in respect of the acquisition by Imperial Knife of the capital of Richards of Sheffield and the offer has become unconditional.

SHARE STAKES

S. W. Wood Group has reduced its holding of Concerto and now holds 2,587,000 shares, or 13.68 per cent.

AOT FLOWMETERS

A new company, AOT Flowmeters, has been formed by the Electronic Carbide Group to take over the assets of Electronic Flo-Meters.

NORWEST HOLST

Norwest Holst has completed the acquisition of the 40 per cent of the issued Ordinary share capital of John Jones (Excavation) not already owned for £480,000.

ASSOCIATE DEALS

Robert Fleming and Co., on Friday, purchased 10,000 Spear and Jessup International 12p and a further 50,000 at 12p as an associate.

WALTHAMSTOW STADIUM

The Board of Walthamstow Stadium announces that the only successful bid under the pre-emption provisions of the Articles for the shares in the company on Friday, purchased 10,000 Spear and Jessup International 12p and a further 50,000 at 12p as an associate.

HESTAIR-SPEAR

Shareholders in Spear and Jackson are again urged by Hestair and Speer advisers Barclays Merchant Bank to accept the share exchange takeover offer, which was extended on Monday to February 3, values are shown at 10p which compares with market price of 11p on 26 yesterday.

YEARLINGS

In yesterday's issue the coupon rate on the local authority yearling bonds was inadvertently given as 12 1/2 per cent. The rate this week should have been 12 per cent, against the 18 1/2 per cent of the previous week.

NEW WITWATERSRAND GOLD EXPLORATION COMPANY LIMITED. INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 1976. Includes financial tables and notes on results.

GOLO FIELDS GROUP GOLD FIELDS PROPERTY COMPANY LIMITED. INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 1976. Includes financial tables and notes on results.

GOLO FIELDS GROUP GOLD FIELDS PROPERTY COMPANY LIMITED. INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 1976. Includes financial tables and notes on results.

PROFIT SLIPS AT NEW WITS

New income at the Gold Fields of South Africa Group... Profit for the first half of 1977 is £12.2m, compared with £11.5m in the same period of 1976.

Stenhouse poised for further progress

LAST FEBRUARY'S two-for-one rights issue by Stenhouse Holdings has led to a revision of the balance-sheet and put the company to a strong position to go forward, says Mr. Gavin Boyd, the chairman.

Guinness Peat well up so far

IN THEIR interim statement the directors of Guinness Peat Group say that profits to date are well ahead of last year. The interim dividend is lifted from 3p to 3.5p per ordinary share.

RIGHTS OFFERS

Table listing rights offers with columns for company name, date, price, and other details.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for company name, price, and other details.

EQUITIES

Table listing equities with columns for company name, price, and other details.

REVENUE

Table showing revenue for various categories like property and township sales, property rentals, etc.

EXPENDITURE

Table showing expenditure for administration and general expenses, prospecting, etc.

NET PROFIT BEFORE TAXATION

Table showing net profit before and after taxation for various periods.

NET PROFIT AFTER TAXATION

Table showing net profit after taxation for various periods.

Earnings per share - cents

Table showing earnings per share in cents for various periods.



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Waage discusses possible merger with Hadrian

OSLO, Jan. 26. THE WAAGE tanker group and the Norwegian Guarantee Institute for Ships and Drilling Vessels, which has provided loan guarantees for both Waage and Hadrian, has concurred in the negotiations and agrees that a merger is among the possibilities to be considered in the search for a solution of Waage's problems.

Quebec Premier René Lévesque reassured U.S. financiers this week that his government did not plan a major nationalisation programme. Robert Gibbens reports from Montreal on the implications for Alcan Aluminium.

Turning point again for Alcan

ALCAN ALUMINIUM, Quebec smelters, accounting for 730,000 short tons of total Canadian capacity of 1.1m. tons, were struck last year for five months. Except for the small Shawinigan smelter, the bitter strike was finally settled hours before the November 15 Quebec election.

Dai Nippon sees profits improving. TOKYO, Jan. 26. DAI NIPPON Printing, Japan's largest printing company, has announced a 16.1 per cent increase in its current profits (to ¥12,900m) and a 17.1 per cent sales rise (to ¥153bn) for the six months period ending November 1976, compared with the same period of the previous year.

Du Pont focusses on investment in efficiency

FRANKFURT, Jan. 26. THE DU PONT chemical concern will for the next few years be concentrating its capital investment on rationalisation measures—increasing productivity and efficiency at existing plants. "This is the investment that pays off the best," said Dr. Edward Kane, Du Pont's president, to-day.

Custos turns bid down

STOCKHOLM, Jan. 26. THE BOARD of the Custos Investment Company, which holds a vital 24 per cent of the voting rights in Swedish Match, announced to-day that the KemaNord takeover offer for Swedish Match was not acceptable "as far as it is judged now."

Hoboken profits up

HOBOKEN, Jan. 26. METALLURGIE HOBOKEN Overpeil, one of Europe's biggest non-ferrous metals processors, has announced higher profits for the year ending September 30, 1976. The net profit figure of B.Fr.272m. (€43.3m.) against B.Fr.179m. the year before is in line with the net dividend announced a month ago of B.Fr.150 (€24.1m.).

Banco do Brasil upturn. BANCO DO BRASIL SA net profit for second half of 1976 rose to 3,250m. cruzireiros from 3,220m. in the first half, after income-tax and payment into reserves totaling 5,550m. against 3,980m. bank president Angelo Calmon de SA said in Brasilia, reports Reuter.

ESSELTE AKTIEBOLAG. U.S. \$20,000,000 8 1/2 per cent. Notes 1984. Issue Price 99 1/2 per cent. The following have agreed to procure subscribers for the Notes: Hambros Bank Limited, Skandinaviska Enskilda Banken, etc.

INTERMEX International Mexican Bank Ltd. Highlights of audited results for year to 31st December 1976. Pretax profit increased from £742,314 to £2,154,381 resulting in net worth of £6.3 million. Year end footings of £149 million. Unutilised standby lines from shareholders doubled to \$42 million. Ownership now concentrated with: Banco Nacional de México, Bank of America Group, Deutsche Bank A.G., Dai-ichi Kangyo Bank Ltd., Union Bank of Switzerland.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS. Table with columns for Bond Name, Bid, Offer, Bid, Offer. Includes entries like J.P. Morgan 4 1/2% 1981, etc.

Thyssen pays same dividend. DUISBURG, Jan. 26. AUGUST THYSSEN-HÜETTE AG said it will propose an unchanged DM7 dividend for the year ended September 31. This confirms its November statement that it expected an unchanged dividend.

NET NITRIGIN EIREANN TEORANTA. £40,000,000 Term Credit Facilities for the Marino Point project. Managed by Allied Irish Investment Bank Limited and S. G. Warburg & Co. Ltd. Provided by: Algemene Bank Nederland (Ireland) Limited, Bank of America NT & SA, etc.









# STREET OVERSEAS MARKETS FOREIGN EXCHANGE

## Early fall on economic uncertainty

NEW YORK, Jan. 26. Sterling maintained its recent quiet trading ahead of the gold market yesterday, and the Bank of England continued to increase its short-term reserve, while also taking advantage of the situation to build up its reserves of foreign currency.

Trading was not as heavy as on previous days but the pattern of movements showed little change, with the dollar, sterling, and Japanese yen generally firm.

The German mark, Swiss franc, and the Austrian schilling, however, remained under some pressure, but it is doubtful whether this prompted any intervention by central banks, most currencies ended the day little changed from the previous day's close.

The pound opened at \$1.757, 1/2 and touched a best level of \$1.752-1/2, before intervention by the authorities prompted a rise to the \$1.72 level. Sterling remained steady until late dealing, when it declined slightly, trading to close at \$1.718, a fall of 9 1/2 points on the day.

The trade-weighted average depreciation since the Washington Currents Agreement of December 1971, as calculated by the Bank of England, widened to 42.5 per cent from 42.4 per cent at noon on Jan. 25.

The dollar's trade-weighted average depreciation since the Washington Agreement as calculated by Morgan Guaranty of New York, widened slightly to 3.98 per cent from 3.97 per cent.

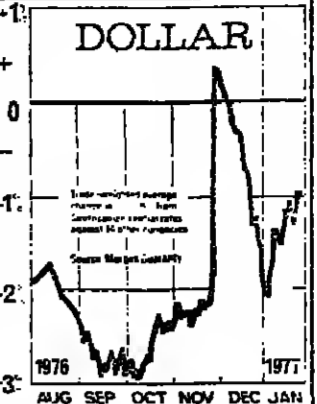
Gold fell \$1 1/2 to \$132.102 1/2.

STERLING maintained its recent quiet trading ahead of the gold market yesterday, and the Bank of England continued to increase its short-term reserve, while also taking advantage of the situation to build up its reserves of foreign currency.

Trading was not as heavy as on previous days but the pattern of movements showed little change, with the dollar, sterling, and Japanese yen generally firm.

### GOLD MARKET

	Jan. 25	Jan. 26
Gold Bullion	\$121.124	\$121.134
Gold Bars	\$121.124	\$121.134
Gold Coins	\$121.124	\$121.134



### FOREIGN EXCHANGES

Jan 25	Jan 26	Jan 27
New York	118.120	118.130
London	2.225	2.225
Paris	166.25	166.25
Frankfurt	172.75	172.75
Geneva	172.75	172.75
Zurich	172.75	172.75

### OTHER MARKETS

Stocks	Jan 25	Jan 26	Jan 27
London	228.10	228.10	228.10
Paris	166.25	166.25	166.25
Frankfurt	172.75	172.75	172.75

### OTHER MARKETS

#### Canada easier

Stocks reacted slightly in line with Canadian markets during the morning session yesterday, with the Toronto Composite index recording a loss of 1.64 at 1003.1 at noon.

U.S. stocks were active and up 3 1/2 points at \$33.7, while Zellers were up 5 cents at \$3.20.

Metals and Oils resisted the downward, but Kaiser Resources lost \$3 at \$41 after reporting record earnings.

PARIS - Generally irregular.

### NEW YORK - DOW JONES

Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17
Industrial	134.32	134.02	134.02	134.02	134.02	134.02	134.02	134.02	134.02
Composite	108.19	108.19	108.19	108.19	108.19	108.19	108.19	108.19	108.19

### N.Y.S.E. ALL COMMON

Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17
Industrial	178.51	178.51	178.51	178.51	178.51	178.51	178.51	178.51	178.51
Composite	108.19	108.19	108.19	108.19	108.19	108.19	108.19	108.19	108.19

### TORONTO COMPPOSITE

Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17
Composite	1003.1	1003.1	1003.1	1003.1	1003.1	1003.1	1003.1	1003.1	1003.1

### EXCHANGE CROSS-RATES

Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17
New York	118.120	118.130	118.130	118.130	118.130	118.130	118.130	118.130	118.130
London	2.225	2.225	2.225	2.225	2.225	2.225	2.225	2.225	2.225

# OVERSEAS SHARE INFORMATION

NEW YORK				LONDON				PARIS				FRANKFURT				BERNE				ZURICH							
Stock	Jan. 26	Jan. 25	Jan. 24	Stock	Jan. 26	Jan. 25	Jan. 24	Stock	Jan. 26	Jan. 25	Jan. 24	Stock	Jan. 26	Jan. 25	Jan. 24	Stock	Jan. 26	Jan. 25	Jan. 24	Stock	Jan. 26	Jan. 25	Jan. 24	Stock	Jan. 26	Jan. 25	Jan. 24
Alcoa	101 1/2	101 1/2	101 1/2	BHP	42 1/2	42 1/2	42 1/2	BNP	31 1/2	31 1/2	31 1/2	ABB	110 1/2	110 1/2	110 1/2	Alp	51 1/2	51 1/2	51 1/2	Alp	24 1/2	24 1/2	24 1/2	BRS	13 1/2	13 1/2	13 1/2
Amalgamated	5 1/2	5 1/2	5 1/2	British Overseas Airways	13 1/2	13 1/2	13 1/2	Chemical Bank	2 1/2	2 1/2	2 1/2	Alpine	8 1/2	8 1/2	8 1/2	Amalgamated	5 1/2	5 1/2	5 1/2	Amalgamated	5 1/2	5 1/2	5 1/2	BHP	42 1/2	42 1/2	42 1/2
Amstar	21 1/2	21 1/2	21 1/2	Canadian National	31 1/2	31 1/2	31 1/2	Comptoir National	3 1/2	3 1/2	3 1/2	Amstar	21 1/2	21 1/2	21 1/2	Amstar	21 1/2	21 1/2	21 1/2	Amstar	21 1/2	21 1/2	21 1/2	BHP	42 1/2	42 1/2	42 1/2

# THE BANK OF NEW YORK

48 Wall Street, New York, N.Y. 10015

## Consolidated Statement of Condition December 31, 1976

Assets	
Cash and Due from Banks	\$ 607,236,476
Due from Banks at Interest	641,216,373
Investment Securities	
U.S. Government Obligations	276,327,620
U.S. Government Agency Obligations	29,774,207
Obligations of States and Political Subdivisions	493,882,392
Other Securities	10,835,000
Trading Account Securities	82,540,945
Federal Funds Sold and Securities Purchased Under Resale Agreements	252,000,000
Loans (Less unearned discount of \$37,128,930 and reserve for loan losses of \$25,428,813)	2,592,158,362
Bank Premises and Equipment	46,335,953
Customers' Acceptance Liability	98,658,288
Accrued Interest Receivable	39,544,211
Other Assets	35,405,480
<b>Total</b>	<b>\$5,205,915,307</b>

## Liabilities and Capital

Deposits	
Demand	\$1,679,946,140
Savings	813,604,919
Time	732,705,114
Foreign Branches	982,376,521
Total Deposits	4,208,632,694
Federal Funds Purchased and Other Borrowed Funds	488,301,563
Acceptances Outstanding	98,787,655
Accrued Taxes and Other Expenses	26,324,535
Accrued Interest Payable	24,533,229
Other Liabilities	8,878,900
Total Liabilities	4,855,458,576
Capital Accounts	
Common Stock—par value \$15 per share, 4,158,220 shares authorized and outstanding	62,373,300
Surplus	123,429,608
Undivided Profits	164,653,823
Total Capital Accounts	350,456,731
Total	\$5,205,915,307

New York's first bank, founded in 1784 by Alexander Hamilton, is the oldest in the United States still operating under its original name. It has 149 branches throughout New York State and three overseas.

London Branch: 147 Leadenhall Street, E. C. 3      Cayman Islands Branch: Grand Cayman  
Singapore Branch: Ocean Building, Collyer Quay

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# The cost to Britain of Community membership

BY DOUGLAS JAY



London Daily

TIME enough has now elapsed for a start to be made in assessing the effects of EEC membership on the U.K. balance of payments. Though causation can always be debated, the facts and figures at least are now known.

In 1971, the U.K. ran a current balance of payments surplus of £1,048m., and in 1975 a deficit of £1,673m. (after a £3,347m. deficit in 1974). With which group of countries did we in fact incur the deficits of the past two years? The main single cause of the swing into the red was, of course, the explosion in the price of oil which rose five-fold between 1970 and 1975. Total U.K. oil imports rose in value from £1,185m. in 1971 to £4,169m. in 1975.

Many hoped, however, and some believed that EEC membership would increase the U.K.'s visible trade surplus with the EEC Six and so help pay for the soaring oil bill. This was the theory of salvation by the "great home market," much invoked in 1971-73, but now less often heard of. That theory presumed that, after the U.K. had joined, our expanding exports to the EEC would build up a substantial surplus. But it did not happen. The U.K.'s visible trade balance with the rest of the EEC in 1975 was a deficit of £2,352m. (on a balance of payments basis)—or £879m. more than our total current balance of payments deficit for that year.

## Food imports

This huge deficit with the rest of the EEC was made up of two main elements: the higher cost of food imports due to switches in volume from non-EEC to EEC supplies; and also to higher EEC prices; and secondly to an even larger deficit in the exchange of manufactured goods. The size of the extra cost of food imports associated with EEC policies cannot be exactly calculated. But the EEC Commission itself, in its Agricultural Report for 1975, has given average figures for that year's world prices and EEC prices, respectively, for the main foodstuffs imported in bulk by the U.K. If we compare the world and EEC prices with the volume of each commodity actually imported by the U.K. in 1975, we can reach a reasonably realistic estimate of how much it would have cost the U.K. to buy our food imports that year at full EEC

prices, as opposed to prevailing world prices.

Thus estimated, the extra cost of food imports works out at between £800m. and £1,000m. in 1975. This, however, does not represent the actual excess cost that year, since owing to the "transition period" (by which our food prices are being freed up gradually) and the strange device of the Green Pound, about £350m. to £400m. of this excess was being returned temporarily to the U.K.—leaving a net extra burden in 1975 of about £400m. In the present year, since successful grain harvests in North America, Russia and India have widened the gap between EEC and world food prices, the net excess cost must be running at a higher figure: though the EEC Commission has not yet published price statistics for 1976.

Much more substantial, however, is the deficit we are now suffering in manufactured goods. In 1970 the U.K. enjoyed a crude surplus of £95m. in trade with the EEC Six in manufactured goods. By 1975 this had turned into a deficit of £1,091m.; and in the first half of 1976 this deficit was running at an annual rate of £1,270m. The swing from surplus to deficit over the five years was thus nearly £1,200m.

Some will naturally ask whether this swing into deficit may not have been due in a general worsening of the U.K.'s competitiveness and trading position in these five years rather than anything connected with EEC membership. Those on the other hand who always predicted the swing into deficit (though they consistently underestimated its magnitude) based their prediction on the fact that U.K. industrial tariffs would come down by more than EEC industrial tariffs, and that rising food prices would push up labour costs in the U.K. more quickly than in the Continental EEC where they were high already.

To judge between these two explanations, one must compare the movement between 1970 and 1976 of our trade balance with the EEC Six on the one hand, and the rest of the world on the other. Did we similarly swing into deficit with the non-EEC world? To give a fair comparison, we must omit trade in food which weighs the scale unfairly against the EEC. This had turned into a deficit of £1,091m.; and in the first half of 1976 this deficit was running at an annual rate of £1,270m. The swing from surplus to deficit over the five years was thus nearly £1,200m.

goods and with the rest of the world improved by £2,335m. There is not much evidence here for the view that our trade balance in manufactures was simply deteriorating with the whole world. What the figures really mean is that our surplus with the non-EEC world in goods other than food and oil is largely paying for our imported food and oil, even at present prices, and that our deficit in manufactures with the Continental Six represents a major part of our current payments deficit. And even our invisible current account with the rest of the EEC has worsened from a surplus of £438m. in 1973 to £153m. in 1975.

## Worsening

However it could still possibly be argued that, though the U.K.'s balance in manufactured goods has greatly improved with the non-EEC world as a whole, it has nevertheless worsened with all developed industrial countries, and that the EEC Six is an exception. To test this, one may reasonably compare the movement of our balance in these years in non-food and non-oil trade with the EEC Six, on the one hand, and the U.S. and Japan on the other.

Swing in balance between 1970 and 1976		£m.
With EEC Six		-1,284.8
U.S.		-236.6
Japan		-435.8
(- = swing into deficit)		

Thus the worsening of our trade balance with the EEC Six in these years was more than five times as great as that with the U.S. and nearly three times as great as that with Japan. If one expresses the worsening as a percentage of total trade turnover with each country, the percentage is smaller for the U.S. than the EEC, but certainly larger for Japan—though the latter probably proves no more than that Japan has been greatly improving her balance with almost every country.

Whatever view is taken about cause and effect, one more clear statistical fact emerges from the story: if one estimates the extra net cost of food imports in 1975 as only £400m., then this, together with the additional deficit in manufactures with the Six, accounted for nearly the whole of our current payments deficit in that year. If these two burdens were eliminated, we should not be virtually paying for our net, even at present prices.

## CRUDE U.K. TRADE BALANCE\*

	1970	1975	1976 (first nine months at annual rate)
With the EEC Six	£ 195.2	-991.7	-1,089.6
With rest of the world	+1,186.1	+3,220.3	+3,520.7
	(+ = surplus; - = deficit)		

\* Other than food and petroleum products.



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سكنا من الاصل



STOCK EXCHANGE REPORT

Interest rate hopes continue to spur British Funds Equities less confident but share index rises 3.9 to 381.6

Account Dealing Dates
Optimistic
First Declared Last Account Dealings

Activity and strength in British Funds again features stocks moved up in sympathy but best prices were not held and the F.T. 30-share index, 3.9 up at noon, ended with a rise of 3.3 at 381.6.

The buying activity in gilt-edged securities was bolstered by hopes of a further cut in Minimum Lending Rate tomorrow, but talk of another reduction of 1/2 per cent were later tempered by the Bank of England's signal for some moderation.

Equity leaders were hesitant at the start with prices doing no more than hover about the previous closing level.

Funds stronger
Increasing optimism over the U.K.'s improved financial and economic rating and the scope for a further reduction in interest rates.

economic rating and the scope for a further reduction in interest rates. Gilt-edged moving forward again. Overseas funds, attracted by the high yield rate on offer, vied with institutional investment in all sections of the market.

All house buyers showed a little more interest in the investment market as the sellers continued to hold away with considerable portions of the offerings emanating from mortgage sources.

Banks mixed
Dealers reported a disappointing business in the big four banks of the previous days.

After a quiet day in the insurance pitch, prices were firmer for Spencer ended 3 better at 103p, and UBS and UDS at 103p.

dearer at 81p. Elsewhere, buying in a market short of stock took NBS Newsprint up 5 to 81p and prompted a sympathetic improve ment of 2 to 110p in Martin the Newsagent Henderson-Kenton, on the other hand, shed a further 2 to 46p on further consideration of the disappointing first-half profits.

Geec feature
The Electrical leaders performed well, particularly IEC which rose to 232p after 180p. In continuing response to favourable Press comment, Thorn and the A added 8 and 10 respectively to the common level of 240p.

A firm market of late on bid hopes. Norwest lost 4 to 80p. Dealings in Ernest Jones 17p, were suspended on the company's request; a Receiver has been appointed.

and 3 better at 56p. Associated hardened 2 to 65p in front of U.S.'s results. American inquiries for U.K. Oil were mainly directed at British Petroleum, which rose 3 1/2 further to a day's best of 830p, but there was also transatlantic support for Burmah, up 3 more at 51p, and Ultramar, 5 higher at 45p. Shell began brightly on domestic buying and reached 485p before reacting to close a net 4 dearer at 482p, but investment currency influences took Royal Dutch down 1/2 to 64 1/2. Further considerations of the sale of 10 per cent interest in two North Sea blocks raised Trinecent 2 to 110p, after 112p, while Attock were 3 harder at 31p following the interim results and statement. Renewed speculative enthusiasm pushed Siemens up to 150p prior to a close of 144p for a gain on balance of 8.

Still underpinned by the tendency to lower interest rates, properties moved forward after intermittent small reactions. Gains were thus limited and Land Securities closed only 2 better at 164p, while Eastern Estates, in marked contrast following repayments plans, the 4 per cent, rising 5 to 36p and the 10 per cent, rising 5 to 36p and the 10 per cent, rising 5 to 36p.

Press comment on the British Rail Pension Fund's proposed bid for Standard Trust and the implications for the sector brought about an enormous inquiry for Investment Trusts which closed with widespread gains. Standard Trust after Tuesday's jump of 10 Mills, 2 firmer at 13p. South African Industrials remained out of favour, sentiment still upset by the situation in Rhodesia and the United Kingdom. Securities edged up 3 to 200p on the improved first-half profits showing, while trading news was also reflected in Fashion and Retail clothes at 205p to 191p, both 2 better, Rothschild Invest-

Misc. leaders better
Given an early fillip by the firmness of gilt-edged securities and Miscellaneous Industrial majors took a turn for the better yesterday. Closing levels were a few pence below the best in places.

Among Newspapers and Papers stocks with North Sea oil content did particularly well, especially Thomson and Associated which rose about 2 to 375p. United British 137p respectively. Elsewhere, Dunlop Packaging continued to ignore the Board's recent bid denial, rising 5 more to 97p, after 92p, and Greenacres, 10p, Saatchi and Saatchi Compen

Active Stocks
Stock Denomina- No. Closing Price 1976-77 1976-77

NEW HIGHS AND LOWS FOR 1976/77
The following securities quoted in the Financial Times yesterday attained their highest or lowest prices since the start of 1976-77.

BASE LENDING RATES
A.B.N. Bank 13 1/2
Allied Irish Banks Ltd. 14 1/2
Anglo-Portuguese Bank 14 1/2

RISERS AND FALLS
British Funds 2 1/2
Canada 1 1/2
France 1 1/2

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS, GROUPS & SUB-SECTIONS, Wednesday, January 26, 1977, Index No., Day's Change, etc. Includes sections for CAPITAL GOODS, CONSUMER GOODS, INDUSTRIAL GROUP, OILS, FINANCIAL GROUP, and FIXED INTEREST.

Option Report—3-month Call rates

Table with columns: Denomina- No. Closing Price 1976-77 1976-77, including entries for A.B.N. Bank, Allied Irish Banks Ltd., etc.

MONEY MARKET

Sharp fall in rates

Bank of England Minimum Lending Rate 1 1/2 per cent. (since January 21, 1977)
Short-term fixed period interest rates fell sharply in the London money market yesterday after noon following a signal on interest rates from the authorities.

MONEY MARKET

Table with columns: Denomina- No. Closing Price 1976-77 1976-77, including entries for A.B.N. Bank, Allied Irish Banks Ltd., etc.

FINANCIAL TIMES STOCK INDICES

Table with columns: Jan. 26, Jan. 25, Jan. 24, Jan. 23, Jan. 22, Jan. 21, Jan. 20, Jan. 19, Jan. 18, Jan. 17, Jan. 16, Jan. 15, Jan. 14, Jan. 13, Jan. 12, Jan. 11, Jan. 10, Jan. 9, Jan. 8, Jan. 7, Jan. 6, Jan. 5, Jan. 4, Jan. 3, Jan. 2, Jan. 1, 1976

BASE LENDING RATES

Table with columns: Bank Name, Rate, including entries for A.B.N. Bank, Allied Irish Banks Ltd., Anglo-Portuguese Bank, etc.

RISERS AND FALLS

Table with columns: Stock Name, Change, including entries for British Funds, Canada, France, etc.

CORAL INDEX

Close 381.68

INSURANCE BASE RATES

Table with columns: Property Growth, Carnen Insurance, etc.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. Ltd., Alliance Fund Managers, and others, with columns for fund names, managers, and performance metrics.

REGIONAL MARKETS

Table showing regional market data for various sectors including Chemicals, Electronics, and Food, with columns for market names and values.

INSURANCE, PROPERTY, BONDS

Table listing insurance and investment services from companies like Abbey Life Assurance, City of Westminster Assur. Sec, and others, including details on policies and rates.

LEADERS AND LAGGARDS

Table comparing performance of various stocks and sectors, identifying leaders and laggards, with columns for stock names and performance indicators.

ART GALLERIES

Text listing art galleries such as AGNEW GALLERIES, HARTNOLL & EYRE, and others, providing contact information and exhibition details.

MOTOR CARS

Advertisement for Alfa Romeo cars, highlighting the BURLINGTON CAMDEN dealership and contact details.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas investment funds from companies like Arbuthnot Securities, Charterhouse Japhet, and others, with columns for fund names and details.

Advertisement for a one-day national conference on Personal Tax Saving for Directors, held at the Royal Garden Hotel, including details on speakers and fees.

NOTES section containing various financial notices, updates, and contact information for fund managers and service providers.



FT SHARE INFORMATION SERVICE

Table with 2 columns: Stock, Price. Lists various companies and their share prices.

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Table with 2 columns: Stock, Price. Lists various companies and their share prices.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies and their share prices.

S.E. List Premium 30% (based on 51.743 per 100)

BANKS AND HIRE PURCHASE

Table with 3 columns: Stock, Price, Div. Yield. Lists various banks and hire purchase companies.

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Table with 3 columns: Stock, Price, Div. Yield. Lists various banks and hire purchase companies.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in the building industry.

BUILDING INDUSTRY—Continued

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in the building industry.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in the building industry.

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Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in the building industry.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in drapery and stores.

DRAPERY AND STORES—Continued

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in drapery and stores.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in drapery and stores.

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Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in drapery and stores.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in engineering.

ENGINEERING—Continued

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in engineering.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in engineering.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in engineering.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in engineering.

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in hotels and caterers.

HOTELS AND CATERERS

Table with 3 columns: Stock, Price, Div. Yield. Lists various companies in hotels and caterers.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for price, change, and volume.

INSURANCE

Table of insurance companies such as British Overseas, Commercial Union, and London & Lancashire.

PROPERTY—Continued

Table of property-related stocks including British Land, Commercial Union, and London & Lancashire.

TRUSTS—Continued

Table of trust companies such as British Trustee, Commercial Union, and London & Lancashire.

TRUSTS—Continued

Table of trust companies such as British Trustee, Commercial Union, and London & Lancashire.

Advertisement for YAMAICHI SECURITIES CO. LTD. with contact information for London and Paris.

MINES—Continued

Table of mining stocks including Anglo American, De Beers, and Anglo Coal.

FAR WEST RAND

Table of far west rand stocks including Anglo American, De Beers, and Anglo Coal.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including Anglo American, De Beers, and Anglo Coal.

O.F.S.

Table of O.F.S. stocks including Anglo American, De Beers, and Anglo Coal.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including Anglo American, De Beers, and Anglo Coal.

OILS

Table of oil stocks including Anglo American, De Beers, and Anglo Coal.

CENTRAL AFRICAN

Table of central african stocks including Anglo American, De Beers, and Anglo Coal.

AUSTRALIAN

Table of Australian stocks including Anglo American, De Beers, and Anglo Coal.

TINS

Table of tin stocks including Anglo American, De Beers, and Anglo Coal.

COPPER

Table of copper stocks including Anglo American, De Beers, and Anglo Coal.

MISCELLANEOUS

Table of miscellaneous stocks including Anglo American, De Beers, and Anglo Coal.

NOTES

Notes section providing additional information and commentary on the market.

TEAS

Table of tea stocks including Anglo American, De Beers, and Anglo Coal.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including Anglo American, De Beers, and Anglo Coal.

SRI LANKA

Table of Sri Lanka stocks including Anglo American, De Beers, and Anglo Coal.

AFRICA

Table of African stocks including Anglo American, De Beers, and Anglo Coal.

MINES

Table of mining stocks including Anglo American, De Beers, and Anglo Coal.

CENTRAL RAND

Table of central rand stocks including Anglo American, De Beers, and Anglo Coal.

EASTERN RAND

Table of eastern rand stocks including Anglo American, De Beers, and Anglo Coal.

RECENT ISSUES AND RIGHTS

Recent issues and rights section providing information on new issues and rights issues.

STOCK EXCHANGES

Stock exchanges section providing information on stock exchanges and market activity.

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Relative Strength. Relative strength is the difference between a good and a bad investment. We supply relative strength charts for Britain's leading companies, plus all the other information necessary for a successful investment.

Suarez mission off because of unrest

BY ROGER MATTHEWS

MADRID, Jan. 26.

SR. ADOLFO SUAREZ, Spain's Prime Minister, has cancelled a visit he planned to the Middle East this week-end because of political tension at home. His trip was seen as the first part of a major diplomatic offensive in the Arab world aimed at securing loans of up to \$1.5bn, which would help ease his country's severe external payments problem during the transition towards democracy.

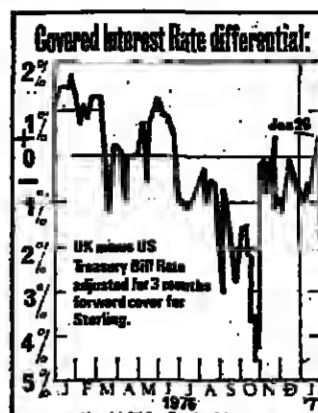
J. Bamford has European plan for Poclair

BY DAVID CURRY AND GEOFFREY OWEN

J. C. BAMFORD, the construction equipment manufacturer, has been in discussion with the French Government over a possible European solution to the problems of Poclair, the French hydraulic excavator maker, which announced an agreement yesterday with an American concern, J. Case, a subsidiary of Teoco.

THE LEX COLUMN Questions raised by Lonrho bid

Index rose 3.9 to 381.6



If ever there was a case for a conglomerate merger to be referred to the Monopolies Commission, it is Lonrho's agreed bid for Dunford and Elliott. Dunford is a major company within the private steel sector, with some 6,000 employees and a claimed 25 per cent of the U.K. alloy steel market.

lead to the disappearance of the contested takeover bid, for the purchase of all of a company's shares by a bidder would not be enough to gain control of the Board.

As the report puts it, a stock market transaction would destroy what employees had come to regard as effective Board representation. So full incorporation as a subsidiary could only follow voluntary submission through the signing of a negotiated instrument of control.

Hot money continues to pour into the gilt-edged market and the Government Broker is again supplying the "sugar tap" in quantity, though he is not averse to burning a few jobs' fingers by his tactics.

For the foreign investor, key factor is the recent favourable movement of the interest rate differential between U.S. and U.K. Treasury Bill rates—covered for exchange rate movements.

For the domestic investor the promise of further drops in interest rates continues to fuel the threat of a takeover in the U.S. It is also that the interest rate differential would only have moved further in the U.K.'s favour, and swelled the foreign inflow into sterling and subsequently, gilt-edged.

Cabinet considers postponing devolution guillotine plans

BY RICHARD EVANS, LOBBY EDITOR

THE CABINET will to-day consider postponing plans for an early guillotine on the Devolution Bill, setting up assemblies in Scotland and Wales, because of continuing hostility from Labour backbenchers.

Further MLR cut likely tomorrow

BY MICHAEL BLANDEN

A FURTHER CUT in the Bank of England's minimum lending rate is expected tomorrow from the present 13 1/2 per cent, possibly to 12 1/2 per cent. The Bank gave a clear signal through its operations in the money market yesterday that the rate of decline in short-term rates should continue to be moderate.

Bullock Report

It is a long way from Lonrho to industrial democracy, but the company did, of course, provide a spectacular instance of shareholders' rights in action back in 1973. Now the power of shareholders to determine the composition of company boards is threatened with severe limitation by the Bullock report.

The report states bluntly that the "normal recourse" for shareholders who do not like the way a company is being run is to sell the shares. It goes on to claim that the proposals will only "bring the law into line with reality" rather than reduce shareholders' real power.

Labour moderates push back Left

BY RUPERT CORNWELL

THE COUNTER-ATTACK of Labour moderates against the extreme Left took a big step forward yesterday when the powerful national executive committee voted to make thorough examination of alleged Trotskyist infiltration into the party.

Few ideas on worker directors

By Adrian Hamilton

DESPITE YESTERDAY'S Government commitment to worker directors on State industry Boards, Ministers and officials are thought to have few ideas at this stage of how this is to be effected.

More Leyland staff reject benefit plan

BY ROY ROGERS, LABOUR CORRESPONDENT

A FURTHER 8,000 Leyland Car workers have come out heavily against the State-owned company's proposals for improving and harmonising lay-off and sick pay and other fringe benefits for its 90,000 manual workers.

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You'll both benefit. It's the least you can do to get the best results from your employees. This isn't a charity advertisement. It's more of a sound business proposition which 28,000 employers have already discovered.

Form for Luncheon Vouchers Ltd. including fields for Name, Company, Address, and a list of Holiday Resorts.

Tanaka trial to begin

TOKYO, Jan. 26. MR. KAKUEI TANAKA, former Japanese Prime Minister, goes on trial here tomorrow on charges of receiving \$1.67m from the Lockheed Aircraft Corporation to promote the sale of TriStar jets.

